STATE OF HAWAII DEPARTMENT OF LAND AND NATURAL RESOURCES Land Division Honolulu, Hawaii 96813

January 12, 2007

Board of Land and Natural Resources State of Hawaii Honolulu, Hawaii

PSF No.: 06HD-241

HAWAII

Set Aside to the County of Hawaii, Department of Water Supply for its Waiohinu Well Development project at Waiohinu, South Kona, Hawaii, Tax Map Key: 3rd/9-5-03: portion of 19

APPLICANT:

Water Board of the County of Hawaii, whose business and mailing address is 345 Kekuanaoa Street, Hilo, Hawaii 96720.

LEGAL REFERENCE:

Section 171-11, Hawaii Revised Statutes (HRS), as amended.

LOCATION:

Portion of Government lands of Waiohinu Homesteads, situated at Waiohinu, Kau, Hawaii, identified by Tax Map Key: 3rd/ 9-5-03: portion of 19, as shown on the attached map labelled Exhibit A.

AREA:

.5000 acres, more or less.

ZONING:

State Land Use District:

Agriculture

County of Hawaii CZO:

Ag-3A

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act

DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: NO

CURRENT USE STATUS:

Governor's Executive Order No. 3146 to County of Hawaii, Department of Water Supply for reservoir site purposes.

Land Office Deed S-26,808 to County of Hawaii, Department of Water Supply for water pipeline easement.

PURPOSE:

For well and reservoir purposes.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

The Final Environmental Assessment for the subject project was published in the OEQC Environmental Notice on April 8, 2005 with a finding of no significant impact (FONSI).

APPLICANT REQUIREMENTS:

Applicant shall be required to:

- 1) Process and obtain subdivision at Applicant's own cost;
- 2) Provide survey maps and descriptions according to State DAGS standards and at Applicant's own cost;
- 3) Applicant shall be responsible for Chapter 343, HRS compliance and all costs associated therewith.

REMARKS:

The subject property was previously encumbered under General Lease No. S-4595, a twenty-five (25) year pasture lease to Walter and Mary Andrade. The lease expired on 1/27/2004.

Portions of the subject property is currently encumbered by the County of Hawaii, Department of Water Supply, under Governor's Executive Order No. 3146 for reservoir site (.363 acres) and Land Office Deed No. S-26,808 for water pipeline easement (.958 acres).

At its meeting of October 11, 2002, Item D-14, the Board of Land and Natural Resources approved a right-of-entry to the County of Hawaii, Department of Water Supply, for geotechnical investigations and field survey purposes.

By letter dated September 14, 2006, the County Department of Water Supply, requested a set aside with management and construction right-of-entry for the subject area. The County's current plans are to expand its Waiohinu Homestead Tank Site by constructing a drinking water well and a 0.50 million-gallon reinforced concrete water tank. The new well is intended to supplement and eventually replace two spring sources (Ha'ao and Old Mountain House Tunnel Springs) that are currently the primary potable water sources serving the DWS' Waiohinu-Naalehu-South Point water system. The DWS has concluded that construction and operation of the well and reservoir would not have substantial adverse impacts on the environment, therefore it issued a Findings of No Significant Impact for the project, which was published in the OEQC Environmental Notice on April 8, 2005.

The County's proposed development of the subject area is currently the highest and best use for the property, as the Waiohinu-South Point area desperately needs additional water sources.

Various governmental agencies were solicited for comments and all responded that they had no objections to the project. The respective comments and concerns were addressed in the Final Environmental Assessment process.

RECOMMENDATION:

That the Board, subject to Applicant fulfilling the Applicant Requirements above:

- 1. Approve of and recommend to the Governor the issuance of an executive order setting aside the subject lands to the County of Hawaii, Department of Water Supply, under the terms and conditions cited above, which are by this reference incorporated herein and subject further to the following:
 - A. The standard terms and conditions of the most current executive order form, as may be amended from time to time;
 - B. Disapproval by the Legislature by two-thirds vote of either the House of Representatives or the Senate or by a majority vote by both in any regular or special session next following the date of the setting aside;
 - C. Review and approval by the Department of the Attorney General; and
 - D. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.
- 2. Issuance of a Construction and Management Right-of-Entry Grant an immediate construction and management right-of-entry to the County of Hawaii (COH), its consultants, contractors and/or persons acting for or on its behalf, under the terms and

conditions cited above, which are by this reference incorporated herein and subject further to the following:

- A. The standard terms and conditions of the most current right-of-entry form as may be amended from time to time;
- B. This construction and management right-of-entry is effective upon Land Board approval and shall continue until the executive order document is issued;
- C. The Department of Land and Natural Resources reserves the right to impose additional terms and conditions at any time if it deems necessary while this right-of-entry is in force.

Respectfully Submitted,

Wesley Γ. Matsunaga

Acting District Land Agent

APPROVED FOR SUBMITTAL:

Peter T. Young, Chairperson

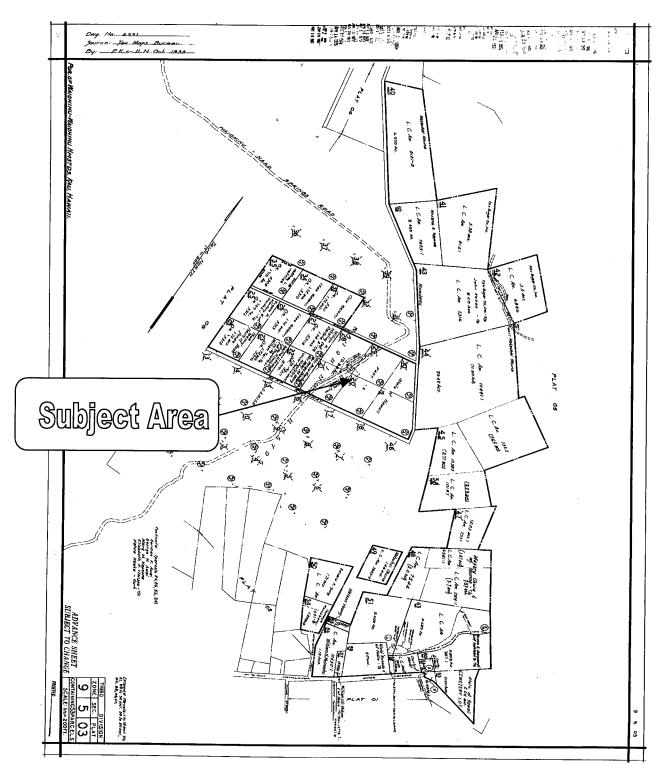


EXHIBIT A

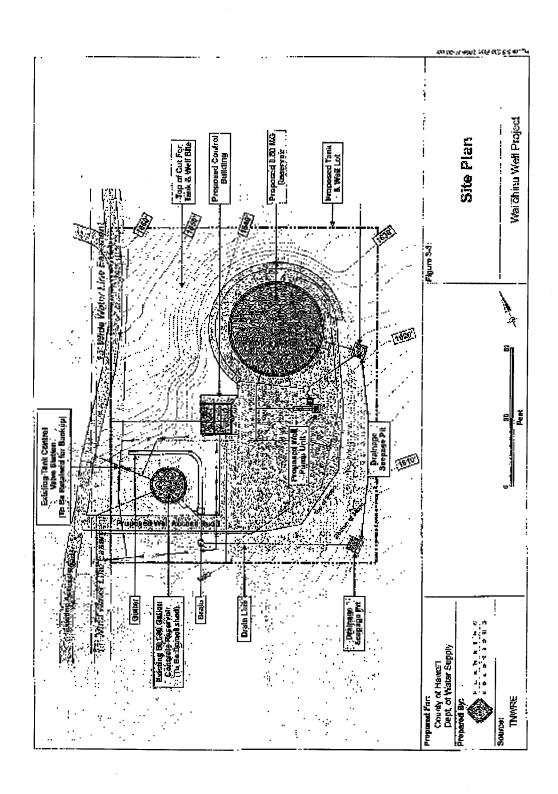


EXHIBIT A